

ALLIANZ 2023 WOMEN-OWNED BUSINESS STUDY

Life insurance can address the needs of women-owned businesses

Key findings from our 2023 Women-Owned Business Study

Women-owned small businesses are an opportunity for – and a challenge to – financial professionals:

- An opportunity because they present a significant subset of the life insurance market of small-business owners.
- A challenge because serving them often requires more than a “business as usual” approach. Though they share the economic and operational concerns of business owners in general, there are differences in the expectations of women business owners, who have historically perceived the financial industry as being more oriented toward men.

To make inroads in this market, financial professionals need to understand that, for many women, the service experience is as important as any financial solution. We know from past surveys that women are inclined to take a more holistic approach to planning their financial future, and place a high value on interpersonal skills.

Indexed universal life (IUL) insurance can be a way to customize a solution to help with a variety of business needs:

- Key employee compensation plans
- Business succession plans
- Estate planning strategies

Financial professionals who can better orient their service toward the needs of women business owners will find many new opportunities.

Allianz conducted an online survey, the **2023 Women-Owned Business Study**, in April and May 2023 with 211 owners of small- to medium-sized businesses with at least five employees and at least \$500,000 revenue in the last fiscal year.

92% of women business owners say their advisor should understand issues relevant to women-owned businesses.

Allianz Life Insurance Company of North America (Allianz) does not offer financial planning services.

Product and feature availability may vary by state and broker/dealer. This content does not apply in the state of New York.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

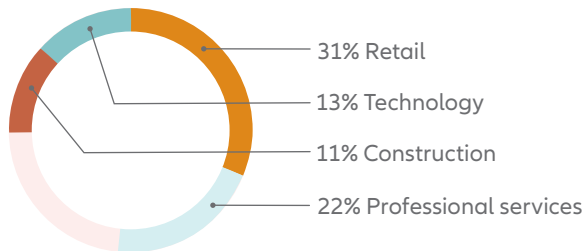
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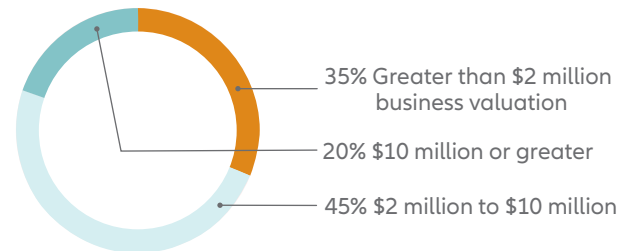
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The client potential of women business owners

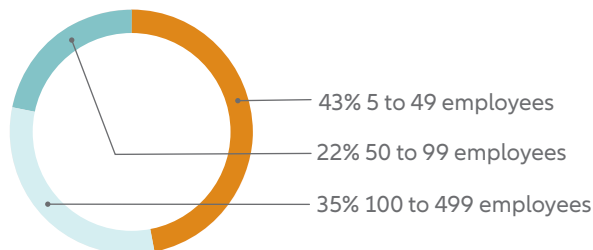
Their businesses are concentrated in these sectors



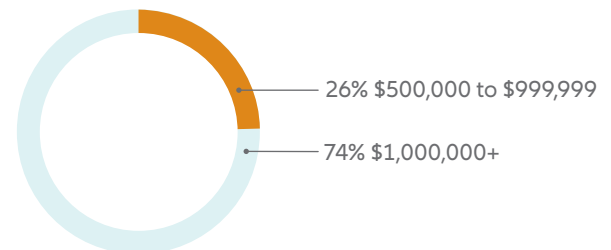
Their businesses are valued at \$10M or above



They own companies of all sizes

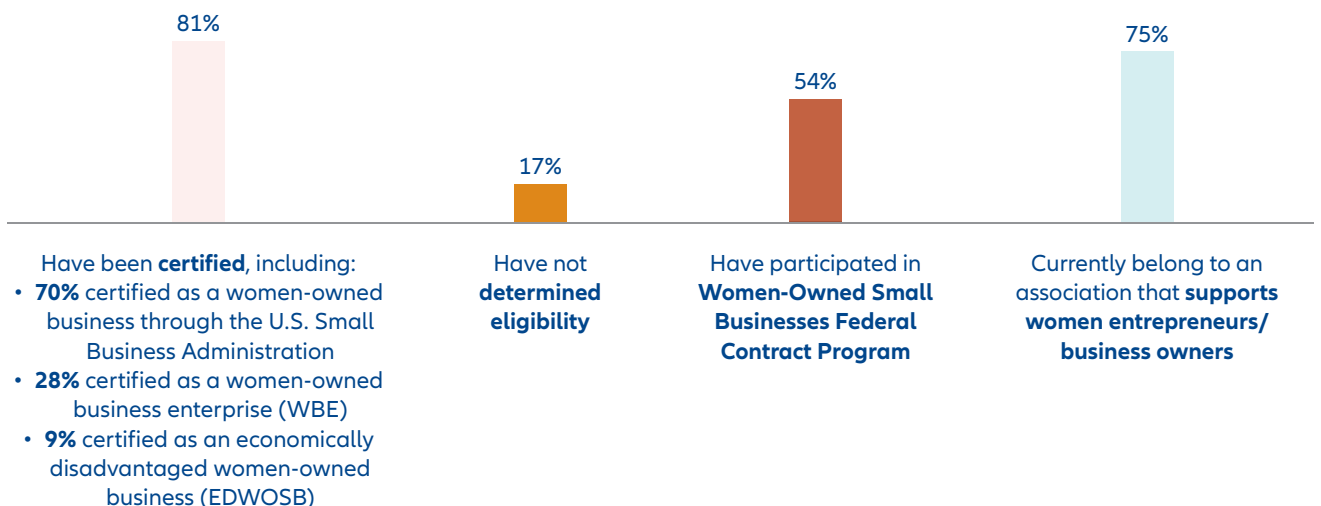


They have revenues of \$1M or more¹



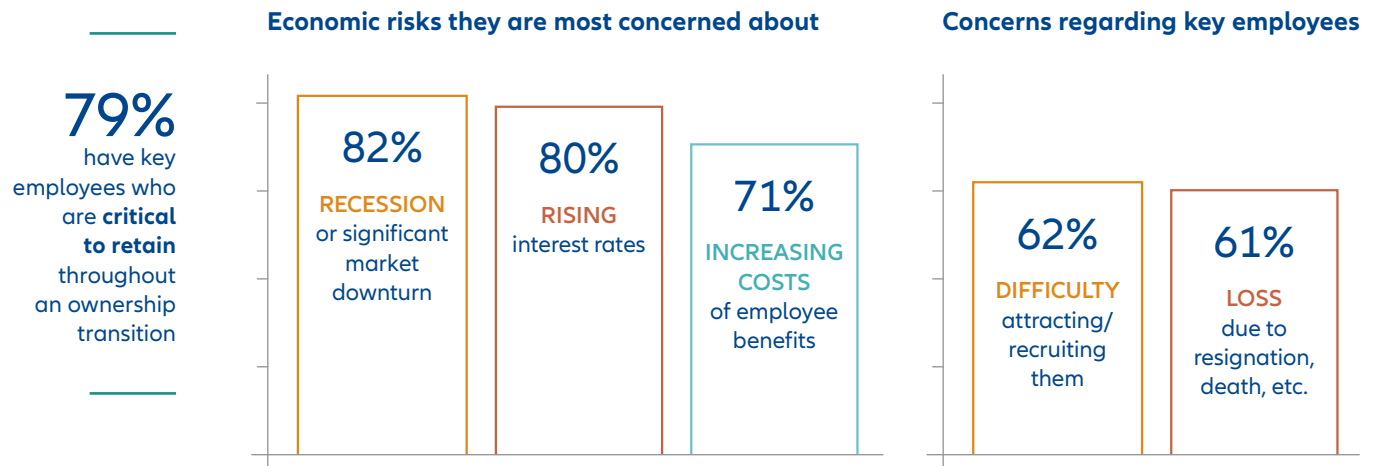
¹Annual revenue past 12 months

Not all women business owners are taking advantage of opportunities available to them



Significant percentages of women business owners have not taken advantage of beneficial certification programs, federal contract programs, or a support organization – **an opportunity for savvy financial professionals to offer help in these matters.**

The economy and key employees are major concerns for women-owned businesses



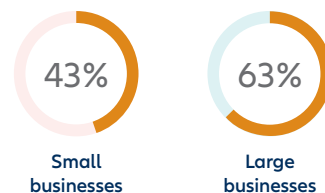
An indexed universal life (IUL) insurance policy can provide a number of different forms of compensation and benefits that an employer may offer to help recruit, retain, and motivate key employees – such as bonus plans (including restricted bonus and stay bonus plans) and split-dollar arrangements.

Women-owned small businesses (revenues under \$2 million) are less likely to have retention benefits or a buy-sell agreement in place

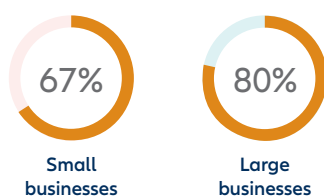
Offer an executive bonus plan



Offer company-paid life insurance



Have a buy-sell agreement



Use a financial advisor for help



IUL insurance may be a good choice to help with business succession planning, as it can play a role in strategies such as buy-sell agreements, as well as in employee retention programs.

Many women business owners may need help in selling or transferring ownership

56% Do not have a plan for transitioning out of ownership

31% Plan to transfer ownership within the next 10 years

36% Are unsure of timing for a transition

40% Plan to transfer ownership via sale or gift to their family members

23% Plan to sell to a third-party buyer

22% Are unsure to whom they will transfer the ownership

IUL insurance offers death benefit protection, tax-deferred accumulation potential, loan and withdrawal options¹ – and the flexibility to adapt as needs change.



FOR HELP EXPLORING IUL solutions for women-owned businesses,
email the Advanced Strategies and Planning Platforms Team at
AdvancedStrategies@allianzlife.com

¹ Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

Clients should consult with their tax advisor and/or attorney to discuss their specific situation.

IUL requires qualification through health and financial underwriting.

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